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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1946

No. 542

IN THE MATTER OF

BURTON COAL COMPANY, et al.,

Debtors.

MARJORIE HAIR BURTON, individually and as Administratrix of the Estate of Frederic A. Burton, deceased,

Petitioner,

vs.

J. ROY BROWNING, Trustee and FREEMAN COAL MINING CORPORATION,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

JOHN J. DOWDLE,
Attorney for Petitioner.

JOSEPH KEIG,
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PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

MAY IT PLEASE THE COURT:

Your petitioner respectfully shows:

STATEMENT OF THE MATTERS INVOLVED:

Proceedings for the corporate reorganization of the Burton Coal Company and its subsidiary companies were

instituted in the District Court of the United States for the Northern District of Illinois, Eastern Division, in September, 1938, and on or about the 9th day of September, 1938, J. Roy Browning was duly appointed Trustee of the estate of said debtors. Rec. 5.

Prior to September, 1938, petitioner's husband, her predecessor in title, since deceased, held title to the lands here involved which were acquired from the C. W. & F. Coal Mining Company under an original contract of purchase in the year 1931, at which time petitioner made a down payment of $5,526.71. Rec. 4.

From September, 1938, to April 1, 1942, the said Trustee J. Roy Browning leased said lands from petitioner and paid as rentals therefor the sum of $22,451.16. Rec. 5.

A plan of reorganization was confirmed by the District Court in March, 1942, and on the 1st day of April, 1942, the assets of the debtor corporations were transferred to the respondent Freeman Coal Mining Corporation pursuant to said plan. Rec. 5.

On April 1, 1942, the Trustee J. Roy Browning became President of the respondent Freeman Coal Mining Corporation. On May 12, 1942, Browning as said Trustee paid the sum of $4,036.12 as rent or royalties for the use of said land for the period up to and including the last day of March, 1942. Rec. 5.

The plan of reorganization confirmed in said cause in no manner whatsoever dealt with petitioner's lands or any right or claim thereto or interest therein. Rec. 5, 6.

After said plan was consummated and on June 24, 1942, respondent Freeman Coal Mining Corporation, without authorization or direction from the District Court as a court of bankruptcy, instituted proceedings in the Circuit Court of Cook County, Illinois, seeking to have petitioner declared trustee of said lands for the use and benefit of

the debtor Burton Coal Company and to have said respondent Freeman Coal Mining Corporation declared successor in interest to said debtor Burton Coal Company. Rec. 6.

Thereafter the State Court decreed that the Freeman Coal Mining Corporation be deemed to have succeeded to the rights and interests of the debtor Burton Coal Company, its stockholders, creditors and J. Roy Browning Trustee in said proceedings. R. 7.

From said decree petitioner appealed to the Supreme Court of Illinois, which affirmed said decree in January, 1945. R. 7. 388 Ill. 604, 58 N.E. (2nd) 589.

Petitioner thereupon filed a petition to the Supreme Court of the United States for a writ of certiorari to the Supreme Court of Illinois which was denied on the 21st day of May, 1945.

On the 26th day of June, 1945, petitioner sought leave to intervene in the reorganization proceedings and to have the District Court adjudicate the rights of petitioner, the Trustee and the respondent Freeman Coal Mining Corporation in said lands. The District Court denied petitioner's motion for leave to intervene and the Circuit Court of Appeals for the Seventh Circuit, on motion of respondent Freeman Coal Mining Corporation, dismissed said appeal. R. ..., 155 Fed. 2nd 561. A petition for rehearing was denied by said Circuit Court on June 28, 1946, and this application is made within the three months allowed under Section 237 (b) Judicial Code of the United States as amended (28 U.S.C.A., Sec. 344 (b)).

JURISDICTION OF THIS COURT.

This court has jurisdiction of this cause under Section 237 (b) Judicial Code of the United States as amended (28 U.S.C.A. Sec. 344 (b)).

The Circuit Court of Appeals decided that the State Court proceedings instituted without authority of the bankrupty court were *res adjudicata* of petitioner's right to intervene and be heard in this case which involves a matter and proceeding in bankruptcy. This raises a federal question, for the federal Constitution and statutes provide:

The jurisdiction vested in the courts of the United States of all matters and proceedings in bankruptcy shall be exclusive of the courts of the several states. U. S. Judicial Code, Section 256 (28 U.S.C. 371) Art. 1, Section 8 Clause 4 Federal Constitution. This petitioner by the holding of the Circuit Court of Appeals is deprived of a right or immunity specially set up and claimed under the Constitution and a statute of the United States (R. 7). In this situation this court has jurisdiction. *Nutt* v. *Knut,* 200 U. S. 13, 18-19, 26 S. Ct. 216, 50 L. Ed. 348; *Pittsburgh & Railway* v. *Loan & Trust Co.,* 172 U. S. 493, 507-510, 43 L. Ed. 528, 19 S. Ct. 238.

This Court has jurisdiction to determine that the act of a state tribunal beyond its powers is null and void, and can be attacked at any time, even in the first instance on appeal. *(Campbell* v. *Porter,* 162 U. S. 478, 40 L. Ed. 1044 16 S. Ct. 871.) And it may not be validated either by waiver or consent. *Windsor* v. *McVeigh,* 93 U. S. 274, 23 L. Ed. 914.)

QUESTIONS PRESENTED.

A.

1. Does a court of bankruptcy exercise exclusive jurisdiction over all of the property and assets of a debtor under Chapter X of the Bankruptcy Act?

2. Is a plan of reorganization, confirmed by the Bankruptcy Court, conclusive of the property dealt with by the plan and binding upon the debtor, its stockholders, creditors and the corporation organized for the purpose of carrying out the plan?

B.

1. Has a state court jurisdiction to review the proceedings of a District Court of the United States sitting as a court of bankruptcy?

2. Has a state court, without authority from the Bankruptcy Court, jurisdicton to administer and direct the distribution of assets allegedly belonging to a debtor under Chapter X of the Bankruptcy Act?

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

Upon the filing of the petition for reorganization in this proceeding any claim or right of action which existed against petitioner in behalf of the debtor Burton Coal Company became an asset of the debtor's estate (Sections 70, 111 Bankruptcy Laws 1938) and the Bankruptcy Court has exclusive jurisdiction to determine how a cause of action which has become a part of the bankrupt's estate shall be enforced. *Meyer* v. *Fleming,* 66 Sup. Ct. 382;

Glenny v. *Langdon*, 98 U. S. 20; *Trimble* v. *Woodhead*, 102 U. S. 647; *Moyer* v. *Dewey*, 103 U. S. 301, 303; *Acme Harvester Co.* v. *Beekman Lumber Co.*, 222 U. S. 300, 308.

The Circuit Court of Appeals by holding the Illinois State court proceedings were *res adjudicata* of petitioner's right to intervene in the reorganization proceedings decided that the Illinois State Court had jurisdiction without authorization of the Bankruptcy Court to determine how causes of action which have become part of the bankrupt's estate shall be enforced. The decision of the Circuit Court of Appeals is a matter of major concern to the Federal judicial process and calls for the exercise of this Court's power of supervision.

Wherefore your petitioner prays that a writ of certiorari issue under the seal of this court, directed to the Circuit Court of Appeals for the Seventh Circuit, to the end that this cause may be reviewed and determined by this Court, as provided by the statutes of the United States and that the judgment herein of said Circuit Court of Appeals be reversed by this Court, and for such further relief as to this Court may seem proper.

JOHN J. DOWDLE,
Attorney for Petitioner.

JOSEPH KEIG,
Of Counsel

Dated September 24, 1946.

BRIEF.

OPINIONS BELOW.

The opinion of the Circuit Court of Appeals is reported in 155 Fed. (2nd) 561, and appears in full beginning at page———of the record.

The memorandum of the District Court filed herein appears beginning at page 58 of the record.

JURISDICTION OF THIS COURT.

A statement as to jurisdiction appears in this petition, pages 4, 5.

STATEMENT OF THE CASE.

A summary and statement of the matters involved are set forth in the petition pages 1 to 3 and are readopted here.

ARTICLES OF THE CONSTITUTION AND FEDERAL STATUTE INVOLVED.

The constitutional provisions and statutes involved are set forth in the appendix pages 13-21.

SPECIFICATION OF ASSIGNED ERRORS.

The Circuit Court of Appeals erred in its refusal and failure to hold that the District Court of the United States as a court of bankruptcy had exclusive jurisdiction to determine how a cause of action which has become a

part of the debtor Burton Coal Company's estate shall be enforced.

The Circuit Court of Appeals erred in its refusal and failure to hold that the plan and order confirming said plan entered in the reorganization proceedings were conclusive of the property dealt with under said plan and binding upon the Freeman Coal Mining Corporation, which acquired the assets of the debtor pursuant to the provisions of said plan.

The Circuit Court of Appeals erred in holding that the State Court proceedings were *res adjudicata* of petitioner's right to intervene and be heard by the District Court on matters and proceedings in bankruptcy.

SUMMARY OF ARGUMENT.

If the Trustee ever had a cause of action against petitioner, he still has it and the Bankruptcy Court alone has jurisdiction to determine how it shall be enforced.

If the Bankruptcy Court has exclusive jurisdiction to determine how a cause of action shall be enforced and the exclusive right to direct the distribution of the assets of a debtor, then the Circuit Court of Cook County lacked jurisdiction of the subject matter and its decree is wholly void and may be attacked at any time.

ARGUMENT.

The Circuit Court of Appeals was imposed upon by the respondents, appellees below, who interjected questions which were wholly foreign to the issues raised by appellant's motion. The ownership of the stock in the debtor Burton Coal Company and the right of the pledgee of said stock to accept the plan of reorganization have been finally adjudicated in the reorganization proceedings and the respondents, appellees, below, alone call the matter into question.

The only question involved in this case is whether the Trustee in Bankruptcy had or has a cause of action against petitioner affecting her title to valuable coal lands. If the Trustee ever had a cause of action against petitioner he still has it and the Bankruptcy Court alone has jurisdiction to determine how it shall be enforced. *Meyer* v. *Fleming*, 66 Sup. Ct. 382; *Glenny* v. *Langdon*, 98 U. S. 20; *Trimble* v. *Woodhead*, 102 U. S. 647; *Moyer* v. *Dewey*, 103 U. S. 301, 303; *Acme Harvester Co.* v. *Beekman Lumber Co.*, 222 U. S. 300, 308. The bankruptcy law provides its own criteria for the distribution of assets of a debtor or bankrupt. *In re Prudence*, 316 U. S. 89, 95.

The District Court distributed the known assets of the debtors in accordance with the plan of reorganization which it approved and confirmed. (R. 9 to 31, 32 to 36.) It cannot be assumed that the District Court would have distributed petitioner's lands in the manner prescribed by the Circuit Court of Cook County. Nor can it be assumed that the District Court, as a court of bankruptcy, would have distributed under any circumstances petitioner's

lands when that court was given, by the trustee's conduct and his payment of rents to the petitioner, every reason to believe that said lands belonged to the petitioner alone and were no part of the assets of the debtor estates.

Section 216 of the Bankruptcy Law, subparagraph 13, directs that the plan of reorganization under Chapter X of the Bankruptcy Act shall provide for the retention and enforcement by the Trustee of all claims not settled or adjusted in the plan.

The Circuit Court of Cook County was without jurisdiction to determine that the Trustee J. Roy Browning in the reorganization proceedings was derelict in his duty in not including in the plan a provision for the enforcement of the claim now asserted against petitioner by the respondent Freeman Coal Mining Corporation affecting petitioner's title to said lands. The District Court alone has the power to determine whether a claim exists against petitioner and to direct its enforcement.

If it is true that the Bankruptcy court has exclusive jurisdiction to determine how causes of action shall be enforced and to direct the distribution of the assets of a debtor, then the Circuit Court of Cook County was precluded from exercising those functions, lack jurisdiction of the subject matter, and its decree, purporting to determine matters solely within the jurisdiction of the Bankruptcy Court, is wholly void and may be attacked at any time, even in the first instant on appeal. (*Campbell* v. *Porter*, 162 U. S. 478, 40 L. ed. 1044, 16 S. Ct. 871.) And said decree may not be validated either by waiver or consent. (*Windsor* v. *McVeigh*, 93 U. S. 274, 23 L. ed. 914.)

CONCLUSION.

The petitioner respectfully submits that the judgment in the Circuit Court of Appeals should be reversed, and that the District Court of the United States, for the Northern District of Illinois, Eastern Division, should be directed to hear and determine the petition of Marjorie Hair Burton, petitioner herein.

JOHN J. DOWDLE,
Attorney for Petitioner.

JOSEPH KEIG,
Of Counsel

Dated September 24, 1946.

APPENDIX.

CONSTITUTION AND FEDERAL STATUTES.

Federal Constitution.

Article I, Section 8, Clause 4: The Congress shall have Power To establish * * * uniform laws on the subject of Bankruptcies throughout the United States.

Article III, Section 2:

"(First) The judicial power shall extend to all cases, in law or equity, arising under this Constitution. The laws of the United States, * * *."

Federal Statutes.

Judicial Code, Section 256.
(28 U. S. C. 371)

EXCLUSIVE JURISDICTION OF UNITED STATES COURT.

The jurisdiction vested in the courts of the United States in the cases and proceedings hereinafter mentioned, shall be exclusive of the courts of the several States: * * *
Sixth. Of all matters and proceedings in bankruptcy.

Federal Bankruptcy Act.

Chapter I—Definitions.
Section 1, Clause (10): "Courts of bankruptcy" shall include the district courts of the United States * * *.

CHAPTER II—COURTS OF BANKRUPTCY.

"Sec. 2. Creation of Courts of Bankruptcy and Their Jurisdiction.—a. The courts of the United States hereinbefore defined as courts of bankruptcy are hereby created courts of bankruptcy and are hereby invested, within their

respective territorial limits as now established or as they may be hereafter changed, with such jurisdiction at law and in equity as will enable them to exercise original jurisdiction in proceedings under this Act, * * *."

"(9) Confirm or reject arrangements or plans proposed under this Act * * *."

"(15) Make such orders, issue such process, and enter such judgments * * * as may be necessary for the enforcement of the provisions of this Act. * * *"

CHAPTER IV—COURTS AND PROCEDURE THEREIN.

CHAPTER VII—ESTATES.

"Sec. 70. Title to Property. a. The trustee of the estate of a bankrupt and his successor or successors, if any, upon his or their appointment and qualification, shall in turn be vested by operation of law with the title of the bankrupt as of the date of the filing of the petition in bankruptcy or of the original petition proposing an arrangement or plan under this Act, * * * ; (5) property, including rights of action, which prior to the filing of the petition he could by any means have transferred or which might have been levied upon and sold under judicial process against him, or otherwise seized, impounded or sequestered: * * *

"i. Upon the confirmation of an arrangement or plan, or at such later time as may be provided by the arrangement or plan, or in the order confirming the arrangement or plan, the title to the property dealt with shall revest in the bankrupt or debtor, or vest in such other person as may be provided by the arrangement or plan or in the order confirming the arrangement or plan."

CHAPTER X—CORPORATE REORGANIZATIONS.

Article I—Construction.

Sec. 101. The provisions of this chapter shall apply exclusively to proceedings under this chapter.

Sec. 102. The provisions of chapters I to VII, inclu-

sive, of this Act shall, insofar as they are not inconsistent or in conflict with the provisions of this chapter, apply in proceedings under this chapter: *Provided, however,* That section 23, subdivision H and n of section 57, section 64, and subdivision f of section 70 shall not apply in such proceedings. • • •

Article III—Jurisdiction and Powers of Court.

"Sec. 111. Where not inconsistent with the provisions of this chapter, the court in which a petition is filed shall, for the purposes of this chapter, have exclusive jurisdiction of the debtor and its property, wherever located.

• • • • • • •

"Sec. 114. Upon the approval of a petition, the jurisdiction, powers, and duties of the court and of its officers, where not inconsistent with the provisions of this chapter, shall be the same as in a bankruptcy proceeding upon adjudication.

"Sec. 115. Upon the approval of a petition, the court shall have and may, in addition to the jurisdiction, powers and duties hereinabove and elsewhere in this chapter conferred and imposed upon it, exercise all the powers, not inconsistent with the provisions of this chapter, which a court of the United States would have if it had appointed a receiver in equity of the property of the debtor of the debtor on the ground of insolvency or inability to meet its debts as they mature.

"Sec. 116. Upon the approval of a petition, the judge may, in addition to the jurisdiction, powers, and duties hereinabove and elsewhere in this chapter conferred and imposed upon him and the court—

"(1) permit the rejection of executory contracts of the debtor, except contracts in the public authority, upon notice to the parties to such contracts and to such other parties in interest as the judge may designate;

"(3) authorize a receiver or a trustee or a debtor in possession, upon such notice as the judge may prescribe and upon cause shown, to lease or sell any property of the debtor, whether real or personal upon such terms and conditions as the judge may approve; and

"Sec. 149. An order, which has become final, approving a petition filed under this chapter shall be a conclusive determination of the jurisdiction of the court.

"ARTICLE VII—PROCEEDINGS SUBSEQUENT TO APPROVAL OF PETITION.

"Sec. 167. The trustee upon his appointment and qualification—* * *

"(3) shall report to the judge any facts ascertained by him pertaining to fraud, misconduct, mismanagement and irregularities, and to any causes of action available to the estate;

"Sec. 175. Upon the approval of a plan by the judge, the trustee or the debtor in possession shall transmit, by mail or otherwise, to all creditors and stockholders who are affected by any such plan—

"(1) the plan or plans so approved, together with a summary thereof approved by the judge;

"(2) the opinion of the judge, if any, approving the plan, or plans, or a summary thereof approved by the judge;

"(4) such other matters as the judge may deem necessary or desirable for the information of creditors and stockholders.

"Sec. 179. After a plan has been accepted in writing, filed in court, by or on behalf of creditors holding two-thirds in amount of the claims filed and allowed of each class, and, if the debtor has not been found to be insolvent, by or on behalf of stockholders holding the majority of stock, of which proofs have been filed and allowed, of each class, exclusive of creditors or stockholders or of any class of them who are not affected by the plan or whose claims or stock are disqualified pursuant to section 203 of this Act, or for whom payment or protection has been provided as prescribed in paragraphs (7) and (8) of section 216 of this Act, the judge shall fix a hearing, upon notice to the debtor, creditors, stockholders, indenture trustees, the Secretary of the Treasury, the Securities and Exchange Commission, and such other persons as the judge may designate, for the consideration of the confirmation of the

plan and of such objections as may be made to the confirmation.

"Sec. 180. The order of the judge approving a plan, as provided in section 174 of this Act, shall not affect the right of the debtor, a creditor, indenture trustee, or stockholder to object to the confirmation of the plan.

"ARTICLE VIII—TITLE, RIGHTS, AND POWERS OF TRUSTEES AND DEBTORS IN POSSESSION.

"Sec. 186. A trustee, upon his appointment and qualification, shall be vested with such title as a trustee appointed under section 44 of this Act would have.

"Sec. 187. Where not inconsistent with the provisions of this chapter, a trustee, upon his appointment and qualification, shall be vested with the same rights, be subject to the same duties, and exercise the same powers as a trustee appointed under section 44 of this Act, and, if authorized by the judge, shall have and may exercise such additional rights and powers as a receiver in equity would have if appointed by a court of the United States for the property of the debtor.

"Sec. 189. A trustee or debtor in possession, upon authorization by the judge, shall operate the business and manage the property of the debtor during such period, limited of indefinite, as the judge may from time to time fix, and during such operation or management shall file reports thereof with the court at such intervals as the court may designate.

"Sec. 190. The reports of the trustee or debtor in possession shall be in such form and contain such information as the court may prescribe and shall at all times be open to the examination of any party in interest. The court shall direct copies or summaries of annual reports, and may direct copies or summaries of other reports, to be mailed to the creditors, stockholders, and indenture trustees, and may also direct the publication of summaries of any such reports in such newspaper or newspapers of general circulation as the court may designate. The Securities and Exchange Commission may recommend the form of such reports and summaries.

"Sec. 191. A trustee or debtor in possession may employ officers of the debtor at rates of compensation to be approved by the court. No person shall become an officer or director of the debtor, to fill a vacancy or otherwise, without the prior approval of the court.

"ARTICLE IX—CREDITORS AND STOCKHOLDERS.

"Sec. 197. For the purposes of the plan and its acceptance, the judge shall fix the division of creditors and stockholders into classes according to the nature of their respective claims and stock. For the purposes of such classification, the judge shall, if necessary, upon the application of the trustee, the debtor, any creditor, or an indenture trustee, fix a hearing upon notice to the holders of secured claims, the debtor, the trustee, and such other persons as the judge may designate, to determine summarily the value of the security and classify as unsecured the amount in excess of such value.

"Sec. 200. Where not inconsistent with the provisions of this chapter, the rights, duties, and liabilities of creditors and of all other persons with respect to the property of the debtor shall be the same, before the approval of the petition, as in a bankruptcy proceeding before adjudication and, upon the approval of the petition, as in a bankruptcy proceeding upon adjudication.

"ARTICLE X—PROVISIONS OF PLAN.

"Sec. 216. A plan of reorganization under this chapter—

"(1) shall include in respect to creditors generally or some class of them, secured or unsecured, and may include in respect to stockholders generally or some class of them, provisions altering or modifying their rights, either through the issuance of new securities of any character or otherwise;

"(2) may deal with all or any part of the property of the debtor;

"(4) may provide for the rejection of any executory contract except contracts in the public authority;

"(13) may include provisions for the settlement or adjustment of claims belonging to the debtor or to the estate; and shall provide, as to such claims not settled or adjusted in the plan, for their retention and enforcement by the trustee or, if the debtor has been continued in possession, by an examiner appointed for that purpose; and

"(14) may include any other appropriate provisions not inconsistent with the provisions of this chapter.

"ARTICLE XI—CONFIRMATION AND CONSUMMATION OF PLAN.

"Sec. 221. The judge shall confirm a plan if satisfied that—

"(1) the provisions of article VII, section 199, and article X of this chapter have been complied with;

"(2) the plan is fair and equitable, and feasible;

"(3) the proposal of the plan and its acceptance are in good faith and have not been made or procured by means or promises forbidden by this Act;

"(4) all payments made or promised by the debtor or by a corporation issuing securities or acquiring property under the plan or by any other person, for services and for costs and expenses in, or in connection with the proceeding or in connection with the plan and incident to the reorganization, have been fully disclosed to the judge and are reasonable or, if to be fixed after confirmation of the plan, will be subject to the approval of the judge; and

"(5) the identity, qualifications, and affiliations of the persons who are to be directors or officers, or voting trustees, if any, upon the consummation of the plan, have been fully disclosed, and that the appointment of such persons to such offices, or their continuance therein, is equitable, compatible with the interests of the creditors and stockholders and consistent with public policy.

"Sec. 222. A plan may be altered or modified, with the approval of the judge, after its submission for acceptance and before or after its confirmation if, in the opinion of the judge, the alteration or modification does not materially and adversely affect the interests of creditors or stockholders. If the judge finds that the proposed altera-

tion or modification, filed with his approval, does materially and adversely affect the interests of creditors or stockholders, he shall fix a hearing for the consideration, and a subsequent time for the acceptance or rejection, of such alteration or modification. The requirements in regard to notice of hearing, to submission to the Securities and Exchange Commission, to acceptance, to filing and hearing of objections to confirmation and to the confirmation, as prescribed in article VII of this chapter in regard to the plan proposed to be altered or modified, shall be complied with.

"Sec. 223. Any creditor or stockholder who has previously accepted the plan proposed to be altered or modified and who does not file a written rejection of the proposed alteration or modification within the time fixed by the judge, shall be deemed to have accepted the alteration or modification and the plan so altered or modified unless the previous acceptance provides otherwise.

"Sec. 224. Upon confirmation of a plan—

"(1) the plan and its provisions shall be binding upon the debtor, upon every other corporation issuing securities or acquiring property under the plan, and upon all creditors and stockholders, whether or not such creditors and stockholders are affected by the plan or have accepted it or have filed proofs of their claims or interests and whether or not their claims or interests have been scheduled or allowed or are allowable;

"(2) the debtor and every other corporation organized or to be organized for the purpose of carrying out the plan shall comply with the provisions of the plan and with all orders of the court relative thereto and shall take all action necessary to carry out the plan, including, in the case of a public-utility corporation, the procuring of authorization, approval, or consent of each commission having regulatory jurisdiction over the debtor or such other corporation;

"(3) if the judge shall so direct, there shall be deposited and distributed, in such manner as the judge may direct, the moneys for all payments which by the provisions of the plan or under this chapter are required to be made in cash; and

"(4) distribution shall be made, in accordance with the

provisions of the plan, to creditors and stockholders (a) proofs of whose claims or stock have been filed prior to the date fixed by the judge and are allowed, or (b) if not so filed, whose claims or stock have been listed by the trustee or scheduled by the debtor in possession as fixed claims or stock, liquidated in amount and not disputed.

"Sec. 225. Where the claims or stock specified in paragraph (4), clause (b), of section 224 of this Act are objected to by any party in interest, the objection shall be heard and summarily determined by the court.

"Sec. 226. The property dealt with by the plan, when transferred by the trustee to the debtor or other corporation or corporations provided for by the plan, or when transferred by the debtor in possession to such other corporation or corporations, or when retained by the debtor in possession, as the case may be, shall be free and clear of all claims and interests of the debtor, creditors, and stockholders, except such claims and interests as may otherwise be provided for in the plan or in the order confirming the plan or in the order directing or authorizing the transfer or retention of such property.

"Sec. 227. The court may direct the debtor, its trustee, any mortgagees, indenture trustees, and other necessary parties to execute and deliver or to join in the execution and delivery of such instruments as may be requisite to effect a retention or transfer of property dealt with by a plan which has been confirmed, and to perform such other acts, including the satisfaction of liens, as the court may deem necessary for the consummation of the plan.

"Sec. 228. Upon the consummation of the plan, the judge shall enter a final decree—

"(1) discharging the debtor from all its debts and liabilities and terminating all rights and interests of stockholders of the debtor, except as provided in the plan or in the order confirming the plan or in the order directing or authorizing the transfer or retention of property;

"(2) discharging the trustee, if any;

"(3) making such provisions by way of injunction or otherwise as may be equitable; and

"(4) closing the estate.